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As I See

THE EFFECT OF CONTEMPORARY DESIGN ON TRADITIONAL HOUSING

ARCHITECTURAL styles seem to be changing rather rapidly at the present time, with a large percentage of the new housing following what is sometimes described as "contemporary" or "functional" design. The leading home architectural magazine has for years printed only articles on this type of architecture, and has illustrated only buildings having no traditional tie-up with the conventional styles of the past. A foreign subscriber to this magazine, if suddenly transplanted into one of our big metropolitan areas (except in the West or Southwest), would be quite surprised at the housing he found, as the type of houses illustrated would be entirely lacking in all areas of the city, except those in which recent building had taken place. He would also be surprised that many of the luxury homes being built are still following historical period designs, entirely lacking in the magazine illustrations.

While these changes have been taking place in the outside appearance of many of our newer buildings, greater changes still have come about in the interiors. Kitchens have been revolutionized. Heating equipment has been improved. Central air-conditioning is now a part of most of the more expensive homes being built, and is found in some of the moderate priced buildings. Electric wiring, in most houses built not too long ago, is now inadequate, as practically all circuits are overloaded.

We are told, moreover, that the changes we have experienced during the past 10 years are minor in comparison with those still ahead. New irradiated plastics as strong as steel, but much lighter in weight, are suggested for walls, roofs, and floors, not to mention window frames and doors. Luminous sheets built into ceilings and walls, we are told, will furnish shadowless light. Cooking will be done by high frequency current without external heat. Ceiling panels in bedrooms above the beds have been suggested to take the place of blankets in winter and cooling in summer. Other innovations of the future, too numerous to mention, some depending only on the vividness of the imagination, are slated to change our entire way of living in the next generation.

What will be the effect of radical changes in house design on the values of buildings already standing? Will a house built 10 or 15 years ago be as outmoded as a model T Ford, or will it continue to sell at a reasonable price in competition with the so-called "contemporary" buildings?

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Real Estate Economists, Appraisers and Counselors

I have been writing on these problems long enough to have discussed this same question more than 20 years ago. * At that time I found many worried that new materials would rapidly replace the building materials to which we had become accustomed. I also found concern that new methods of heating, and winter and summer air-conditioning, seemed probable in the average home in the relatively near future, and that prefabrication would decrease building costs to a point which would greatly lower the value of older buildings. I said, then: "Our experience is that, while a few new materials are coming into general use, by far the greater amount of building now being done and to be done during the next few years will employ the accustomed materials and methods. Undoubtedly steel framing, prefabricated panel construction, and many other innovations will gradually creep into the building field, but in my opinion their entrance will be slow. None of these materials offers economies in the production of the same number of cubic feet of new construction, and their appeal must be made largely on the basis of increased quality. The great demand in the housing field today, however, is primarily for houses in the lower price range, and not necessarily for a substitution of better materials in houses already beyond the range of the great mass of home buyers."

In regard to new methods of heating and of winter and summer air-conditioning, I stated at that time: "We are not at all certain that the changes, which many people believe on the horizon, are coming as rapidly as they suppose, or that they will have the effect on values generally assumed. We have studied housing over a long period of years. In 1850, when many of our studies started, the very fine house contained no plumbing, no central heating, no built in provision for illumination or cooking, no hardwood floors, no electrical refrigeration, and no garage. In 1850 the very unusual house was advertised as having a hydrant in the yard. This was the height of luxury. By the end of the Civil War in the luxurious home the hydrant had moved into the kitchen. In the seventies the advertisements started mentioning gas lights. Not until the middle eighties did modern plumbing and central heating become the talking point in selling quality homes. In the middle and late nineties electric lights came into the picture. Around 1905 or 1906 gas heaters were unusual features. From 1910 to 1915 hardwood floors were the talking points of the most modern house. Electrical refrigeration for apartments was not stressed until about 1925. Air conditioning is now creeping into a very few of the advertisements of better class homes.

"We doubt whether air conditioning, even though it comes in as rapidly as many of its enthusiasts expect (which we doubt), can compare with the introduction of modern plumbing and central heating, as we believe that it will not have as great an effect on values as these changes brought in the eighties and nineties. Just as houses built without these features were modernized at relatively small cost, so houses can be modernized to include the developments in the field of air conditioning. Certainly at first real air conditioning will be restricted to expensive homes."

One of the reasons why even radical changes in the new houses being built affect values of existing houses so slightly is that it takes a number of generations

*August 1936

to replace any appreciable part of our housing supply. In 1950, the top building year, we built about 1½ million farm and nonfarm dwelling units. In that year we had a total of approximately 50 million occupied dwelling units in the United States. The new houses coming on the market, therefore, in that year constituted only 3% of the housing supply. In contrast, in 1950 we had 40,185,000 passenger cars and taxis registered. Factory sales of passenger cars totaled 6,666,000. Building new cars at that rate, the entire inventory of cars in use could be replaced in 6 years. The average life of an automobile at the present time is generally considered to be 7 or 8 years. The average dwelling unit, however, has a life of approximately 85 years. Since the average life of a home is probably 10 times the average life of a car, it will take a very long time to change an appreciable part of our housing to designs which are considered more acceptable by some architectural magazines and architects. It may even be that by that time, the contemporary house will no longer be popular and that some other type of design will replace it in public favor.

The table below shows the estimated number of dwelling units built in 13 periods of the past totaling 54,500,000 dwelling units, our present housing supply. It is rather interesting to note that less than one-third of this 54½ million have been built in the last 21 years, and that more than one-third of all of our houses are now more than 46 years old.

PRESENT HOUSING INVENTORY IN THE UNITED STATES
FARM AND NONFARM
By Age of Building

Year built	Estimated number of units 1956	Cumulative number starting with oldest group	Cumulative percentages
1950-56	9,600,000	54,500,000	100.0
1945-49	5,900,000	44,900,000	82.4
1940-44	3,200,000	39,000,000	71.6
1935-39	3,500,000	35,800,000	65.7
1930-34	2,500,000	32,300,000	59.3
1925-29	4,900,000	29,800,000	54.7
1920-24	4,300,000	24,900,000	45.7
1910-19	6,600,000	20,600,000	37.8
1900-09	6,200,000	14,000,000	25.7
1890-99	3,500,000	7,800,000	14.3
1880-89	1,900,000	4,300,000	7.9
1860-79	1,500,000	2,400,000	4.4
Before 1860	900,000	900,000	1.7
Total	54,500,000		

Styles can change quickly in a short-lived article. Women's hats are generally worn for a season, and a radical change in style can create an inferiority complex in the average women if she is caught out with last year's hat. If, how-

ever, only 3 women in 100 were able to secure the new-style hats in any one year, styles would change more slowly, as they have in houses. A new type automobile can replace practically all cars on the road in 7 or 8 years, but 50 years from now a large part of our housing will be housing which is already in existence.

Twenty years ago in discussing whether prefabrication would decrease building costs to a point where the value of older buildings would be greatly lowered, I said: "Eventually it may, but we believe that this point is still so far distant that no one interested in real estate, bought for use or for speculation in the next ten years, should let it seriously influence his judgment of values. We have studied all types of prefabrication now on the market and know of none which holds any immediate threat to the standard methods of construction on a price basis."

I continued, in this bulletin: "It seems to me, therefore, that these arguments for not buying real estate at the present time are no more valid than they have been at any time during the past hundred years. The man who waits for the ultimate refinement in the article he contemplates purchasing must necessarily postpone indefinitely his purchase of automobiles, radios, clothing, and even foods. Nothing has yet reached the stage where further progress is not probable. The man who resigned from the patent office a decade before the Civil War, giving as his reason that everything had been invented and that there could not therefore be any future in the patent office, was the only man who could go out and buy with enthusiasm, safe in his conviction that the articles he purchased would not be made obsolete by improvements in the future.

"The man who refuses to consider improved real estate as an investment because of the distant, but probable, improvement in housing should not purchase a radio, for clearly the almost perfect reception of sound will yet be supplemented by television. The colored talking moving pictures of the present should leave him cold, because they do not yet carry the impression of depth, which will probably be their next improvement. Today's automobile, in spite of its apparent mechanical excellence, he would find of little interest as clearly the car of the future, probably using fuels or methods of propulsion yet uninvented or unthought of, will surpass in comfort, safety, economy, and speed anything we can now imagine. I believe that the obsolescence risk in the purchase of real estate at the present time is no greater than that risk must always be in the purchase of any commodity in a changing and developing world."

Now, 20 years later, I still think as I did then - obsolescence is a slow leveler of value in a long-lived article. All of the factual studies we have made of the selling prices of older residences would show that an older house which has been well maintained in a district which has been well maintained holds its value far better than most accepted depreciation tables would suggest as possible. Many of these buildings are selling for double their original cost.

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